# Public Utilities Commission of the State of California

Results of Public Agenda 3109

Meeting Held on Thursday, March 13, 2003 10:00 a.m.

San Francisco, California

Michael R. Peevey, President Geoffrey F. Brown Susan P. Kennedy

**Commissioners** 

Loretta M. Lynch

Carl W. Wood

Website: http://www.cpuc.ca.gov

# Scheduled Commission Meetings 505 Van Ness Avenue, San Francisco

Ratesetting Deliberative Meeting* Room 5305 (1:30 p.m.) Closed to the Public	Commission Meeting Auditorium (10 a.m.) Open to the Public
Friday, March 28, 2003 (San Francisco at 11:00 a.m.)	Thursday, April 03, 2003 (San Francisco)
Monday, April 14, 2003 (San Francisco)	Thursday, April 17, 2003 (San Francisco)
Monday, May 05, 2003 (San Francisco)	Thursday, May 08, 2003 (San Francisco)
Monday, May 19, 2003 (San Francisco)	Thursday, May 22, 2003 (San Francisco )

<sup>\*</sup>Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.

For further information contact the Public Advisor (415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



This location is accessible to people with disabilities. If specialized accommodations for the disabled are needed, e.g. sign language interpreters, please call the Public Advisor at (415) 703-2074 or TTY# (415) 703-5282 or toll free # 1-866-836-7825 three business days in advance of the meeting.

#### **PUBLIC COMMENT**

The following items are not subject to public comment:

All items on the closed session agenda; these are HEX and EX items.

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#### **Public Comment:**

Re H-9:

David Lommen

Dean T. Newberry, Davis, CA

Robert Gold, Bolinas, CA

Thomas H. Richardson, Davis, CA

Re 2: Jeffrey Young, Could not attend; Public Advisor circulated his statement via e-mail to Comrs.

# **Consent Agenda**

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

#### **Orders and Resolutions**

#### CA-1 Res TL - 19023

Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the

Public Utilities Code.

**Outcome Approved** 

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

#### CA-2 Res ALJ 176 - 3109

Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of

Practice and Procedure.

# **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-3 A02-07-009 - Southwest Gas Corporation.

1724

For authority to adjust public purpose program surcharges. A02-07-013, A02-07-016, A02-07-017, A02-07-018, A02-11-024, A02-11-050 - Related matters. This decision addresses the low-income assistance programs of Alpine Natural Gas Company, Avista Utilities, Bear Valley Electric Company, Southwest Gas Company, Sierra Pacific Power Company, PacifiCorp and West Coast Gas Company. The Commission establishes funding levels and penetration rate benchmarks for their California Alternate Rates for energy programs during program year (PY) 2003 and PY2004. The Commission also authorizes funding for their Low-Income Energy Efficiency programs during PY2003, and requires them to file applications for PY2004 by July 1, 2003. The Commission addresses other issues, such as reporting and ratemaking treatment, raised by Energy Division in its Workshop Report. Southwest Gas Company and Sierra Pacific Company are authorized to increase ratepayer collections to fund their PY2003 programs. The associated rate changes will be implemented in their pending general rate case proceedings. These proceedings are closed.

(Comr Wood - ALJ Gottstein)

(Agenda 3108, Item CA-9 2/27/2003 (Staff))

# **Outcome Signed**

D03-03-007

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-4 A02-07-033 - Pacific Gas and Electric Company (PG&E) and Signature Properties, Inc. (Signature Properties).

This decision approves the sale of land owned by PG&E to Signature Properties. Signature Properties will use the property as the site for a residential subdivision and park in Marin County. This proceeding is closed.

(Comr Peevey - ALJ Prestidge)

**Outcome Signed** 

D03-03-008

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-5 A02-01-004 - Kerman Telephone Company (Kerman).

1773

For authority to restructure intrastate rates and charges for telephone services furnished within the State of California. This decision grants Kerman's motion for interim rate relief subject to true up. The Commission finds that interim rate relief is necessary due to delays in this proceeding as well as to the deterioration of Kerman's earnings.

(Comr Kennedy - ALJ Evans)

**Outcome Signed** 

D03-03-009

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-6 1777

R \_\_\_\_\_\_\_, I \_\_\_\_\_\_\_ - Order Instituting Rulemaking and Order Instituting Investigation on the Commission's own motion to re-examine the underlying issues involved in the submetering discount for mobile home parks and to stay D01-08-040.

This Order opens a Rulemaking and an Investigation on the Commission's own motion to re-examine the underlying issues involved in the submetering discount for mobile home parks, and to stay D01-08-040. This OII/OIR will explore setting a uniform statewide rate structure and method to calculate the submetering discount. In Phase 1 the Commission will identify and define cost components and in Phase 2, which includes testimony and hearings, the Commission may quantify the amount of the submeter discount applicable to all jurisdictional utilities statewide.

(Agenda 3108, Item 7 2/27/2003 (Staff))

# **Outcome Signed**

R03-03-017, I03-03-018

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# **CA-7**

# A01-09-006 - Southern California Edison Company (Edison).

1781

Application in the 2000/2001 revenue adjustment proceeding. This decision deems Edison's special contracts reasonably administered during the record period, and approves Low Emission Vehicles expenditures during record period and acknowledges a compliance filing. This proceeding is closed. (Comr Brown - ALJ Sullivan)

Outcome Held (4/3/03, Regular Agenda. Further review.)

# CA-8 Res W-4368 - Point Arena Water Works, Inc. (PAWW).

1769

This resolution grants PAWW's request to adjust the surcharge rates authorized in Res. W-4233 due to changes in the number of customers by meter size. (Advice Letter 44, filed October 10, 2002.)

#### **Outcome Withdrawn**

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

# **CA-9 A02-12-043 - County of Kern.**

1796

This decision grants the request of County of Kern, in cooperation with City of Shafter, to construct 7th Standard Road Overhead grade-separated highway-rail crossing over The Burlington Northern and Santa Fe Railway Company's one main line track and one spur track in an unincorporated area of Kern County. This proceeding is closed.

(Exam Clark)

# Outcome Signed

D03-03-010

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# **CA-10** A02-12-042 - County of Kern.

1797

This decision grants the request of County of Kern, in cooperation with City of Bakersfield and Greater Bakersfield Separation of Grade District, to contruct Mohawk Street Underpass grade-separated highway-rail crossing under The Burlington Northern and Santa Fe Railway Company's two main line tracks and one spur track in an unincorporated area of Kern County. This proceeding is closed.

(Exam Clark)

#### **Outcome Signed**

D03-03-011

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-11 (ECP) C02-10-026 - Jerome T. Pasto (Pasto) vs. Pacific Bell Telephone Company (PacBell).

1803

This decision directs PacBell to refund 75% of a \$3,013.78 payment by Pasto for a line extension to provide telephone service to his new house. This proceeding is closed.

(Comr Brown - ALJ Patrick)

#### **Outcome Signed**

D03-03-012

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-12 Res W-4376 - Del Oro Water Company (DOWC).

1804

This resolution authorizes DOWC - Country Estates District, Ferndale District, Johnson Park District, Magalia District, and Paradise Pines District, a one-time surcharge to recover an increase in water testing costs producing a total increase in annual revenue for DOWC of \$8,544 or 0.39%. (Advice Letter 113, filed November 27, 2002)

# Outcome Approved

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-13 Res T-16733 - Verizon California Inc. (Verizon).

1805

This resolution approves an Interconnection Agreement between Verizon and Bulls Eye Telecom, Inc., in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 10356, filed December 31, 2002)

# Outcome Approved

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-14 A02-03-041 - Cynthia Sanders dba The Link Shuttle Service.

1808

This decision authorizes Cynthia Sanders to extend her on-call passenger stage corporation between certain points in San Diego County. This proceeding is closed.

(Exam Clark)

# **Outcome Signed**

D03-03-013

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-15 A02-10-039 - Jafar Kargaran, Farrokh Reza Falahi, and Kevin Kohl and Associates LLC.

1809

This decision authorizes Jafar Kargaran and Farrokh Reza Falahi to transfer a passenger stage corporation certificate to Kevin Kohl and Associates LLC. This proceeding is closed.

(Exam Clark)

**Outcome Signed** 

D03-03-014

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-16 A02-12-015 - Gurmail Singh dba Sunlight Airport Shuttle.

1810

This decision authorizes Gurmail Singh to operate as a passenger stage corporation between the Counties of San Francisco, Santa Clara, Alameda, Contra Costa, and San Mateo and the International Airports of San Francisco, Oakland, and San Jose. This proceeding is closed.

(Exam Clark)

# Outcome Signed

D03-03-015

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-17 A02-12-018 - Magei M. Osman, Kmel S. Bashir, and Mahmoud Mohamed.

1811

This decision authorizes Mamdouh Hassan to sell all his shares of California Airporter, Inc. to Magei M. Osman, Kmel S. Bashir, and Mahmoud Mohamed. This proceeding is closed.

(Exam Clark)

# **Outcome Signed**

D03-03-016

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-18 A02-12-036 - Pablo and Rubileen Chavez, dba Airporter Corner Stone Express Service, and Cornerstone Airporter, LLC..

This decision authorizes Pablo Chavez and Rubileen Chavez to transfer their passenger stage certificate to Cornerstone Airporter, LLC. This proceeding is closed.

(Exam Clark)

# **Outcome Signed**

D03-03-017

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-19 A02-02-036 - RuralWestaTM-Western Rural Broadband, Inc.

This decision grants the Applicant a certificate of public convenience and necessity to provide limited facilities-based and resold local exchange and interexchange telecommunications service. This proceeding is closed.

(Comr Peevey - ALJ O'Donnell)

#### **Outcome Signed**

D03-03-018

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-20 A02-12-021 - Yipes Enterprises Services, Inc. and Yipes Transmission, Inc.

This decision grants the joint application of Yipes Enterprise Services, Inc. (New Yipes) and Yipes Transmission, Inc. (Old Yipes) for approval for New Yipes to acquire the assets, regulatory

authorizations and operations of Old Yipes. This proceeding is closed.

(Comr Brown - ALJ Fukutome)

#### **Outcome Signed**

D03-03-019

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

3/21/2003 10:46 am

# CA-21 R02-06-040 - Rulemaking for the purpose of revising certain Rules of Practice and Procedure to implement Public Utilities Code Section 1708.5 (Petitions for Rulemaking).

This decision adopts a new Rule 14.7 regarding petitions to amend, adopt, or repeal a Commission regulation, and a new Article 3.5 of the Rules regarding rulemaking in general. Rule 14.7, as adopted, includes changes to the Rule as originally proposed that were made in response to public comments. (Comr Lynch - ALJ Prestidge)

# Outcome Signed

D03-03-020

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-22 (ECP) C02-11-029 - Ronald D. Capizzi vs. Pacific Bell Telephone Company

1818 This decision dismisses complaint because complainant failed to appear. This proceeding is closed. (Comr Wood - ALJ Barnett)

#### **Outcome Signed**

D03-03-021

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-23 Res W-4381 - Mesa Crest Water Company (MCWC).

This resolution grants MCWC authority to borrow a total of \$250,000 and to encumber its asset in connection with the loan. (Advice Letter 51, filed February 7, 2003)

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-24 Res W-4377 - Alco Water Service (Alco).

This resolution grants Alco a rate increase to compensate for receivership costs for Alco's Small Systems consisting of Moss Landing Water Service, Inc., North Monterey County Water Service, Inc., Blackie Road Water System #18, San Jerado Water System, Vierra Canyon Water System, Langley/Valle Pacifico Water System, and Buena Vista Water System for a total amount of \$77,226 or 29.9%. (Advice Letter 89, filed September 23, 2002)

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-25 Res W-4379 - Fruitridge Vista Water Company (FVWC).

1823

This resolution authorizes FVWC a purchase power offset to recover increase in purchase power expenses producing an increase in annual revenue of \$34,302 or 2.52%. (Advice Letter 74, filed August 15, 2002)

# Outcome Approved

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-26 Res W-4378 - Stirling Bluffs Corporation (SBC).

1824

This resolution authorizes SBC a one-time surcharge to recover an increase in water testing costs producing an increase in annual revenue of \$1,272 or 3.48% (Advice Letter 38, filed December 16, 2002)

# **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

#### CA-27 Res W-4380 - Arroyo Center Water Company (ACWC).

1825

This resolution authorizes ACWC an increase in rates producing additional annual revenues of \$44,100 or 122% per year for five years to comply with the Safe Drinking Water Act. (Advice Letter 17, filed December 6, 2002)

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-28 C99-01-039 - The Greenlining Institute, Latino Issues Forum vs. Pacific Bell, Pacific Bell Information Services.

This decision awards The Greenlining Institute and Latino Issues Forum \$229,785.34 in compensation for substantial contributions to D01-04-037. This proceeding is closed.

(Comr Wood - ALJ Vieth)

#### **Outcome Signed**

D03-03-022

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-29 Res W-4382 - San Gabriel Valley Water Company (SGVWC), Los Angeles County Division.

1827

This resolution authorizes SGVWC, Los Angeles County Division, a surcharge to recover under-collections in its purchased water and purchased power balancing accounts, producing an increase in annual revenue of \$1,091,929 or 3.0%. (Advice Letter 319-W, filed January 17, 2003)

#### Outcome Approved

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-30 Res T-16737 - SBC California (SBC).

1830

This resolution approves a Resale Agreement between SBC and American Fiber Network Inc., in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 23494, filed January 16, 2003)

# **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-31 Res T-16736 - SBC California (SBC).

1831

This resolution approves a Resale Agreement between SBC and Choice Telecom, LLC., in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 23489, filed January 16, 2003)

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-32 A02-01-015 - San Diego Gas & Electric Company (SDG&E).

1832

For approval of utility retained generation cost recovery mechanism. This decision grants motion of SDG&E to dismiss application without prejudice. This proceeding is closed.

(Comr Wood - ALJ Wetzell)

#### **Outcome Signed**

D03-03-023

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-33 A99-12-021 - City and County of San Francisco.

1835

The decision grants the City and County of San Francisco authority to construct an at-grade crossing over the tracks of the Peninsula Corridor Joint Powers Board, reconstruct an existing crossing, and close two existing crossings, in the City and County of San Francisco. This proceeding is closed. (Exam Clark)

# **Outcome Signed**

D03-03-024

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-34 A02-05-059 - Alameda Corridor - East Construction Authority (ACE).

1837

A02-05-062, A02-05-063, A02-06-005, A02-06-006, A02-06-056 - Related matters. This decision grants the request of ACE to modify Humane Way, State Route (SR) 57, Temple Avenue, and SR-71 over Union Pacific Railroad Company's (UP) Los Angeles Subdivision main line and SR-71 and Humane Way over UP's Alhambra Subdivision main line in Pomona, Los Angeles County. This proceeding is closed.

(Exam Clark)

# **Outcome Signed**

D03-03-025

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-35 C99-12-029 - AT&T Communications of California, Inc. vs. Pacific Bell Telephone Company.

1841

C00-02-027 - Related matters. This decision denies a \$19,004 compensation request by Greenlining Institute and Latino Issues Forum for their joint participation in this proceeding. C99-12-029 and C00-02-027 are closed.

(Comr Peevey - ALJ Galvin)

# Outcome Signed

D03-03-026

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-36 A03-01-020 - Southern California Edison Company (SCE).

1845

This decision grants SCE's application to lease a portion of its Nido-Sepulveda-Culver Transmission Right of Way to Volkswagen of America, Inc. This proceeding is closed.

(Comr Peevey - ALJ Bemesderfer)

# **Outcome Signed**

D03-03-027

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-37 R01-08-028 - Order Instituting Rulemaking to examine the Commission's future energy efficiency policies, administration and programs.

This decision provides bridge funding for energy efficiency programs. The order extends bridge funding from March 31, 2003 until the Commission issues an order in this docket allocating funding to various programs.

(Comr Lynch - ALJ Malcolm)

# **Outcome Signed**

D03-03-028

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-38 A02-08-038 - Williams Communications, LLC

1850

This decision grants applicant's request to construct certain facilities. This proceeding is closed.

(Comr Brown - ALJ Reed)

# **Outcome Signed**

D03-03-029

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-39 I \_\_\_\_\_\_ - Investigation on the Commission's Own Motion into the Rates, Operations, (Rev.) Practices, Service and Facilities of Southern California Gas Company and San Diego Gas &

1820 Electric Company.

Companion investigation to the cost of service applications filed by Southern California Gas Company and San Diego Gas & Electric Company. This proceeding allows the Commission to investigate the revenue requirements, rates, practices, services, facilities and maintenance practices of the respondents.

(Comr Wood - ALJ Long)

03/11/2003 - This item appeared as (5) on the agenda distributed to the public.

#### **Outcome Signed**

I03-03-016

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-40 A91-11-024 - San Diego Gas & Electric Company (SDG&E).

(Rev.) 1390 For authority to increase its rates and charges for electric, gas, and steam service, effective January 1, 1993. A98-10-012, A98-10-031 - Related matters. The Golden State Manufactured – Home Owners League petitioned to modify D00-04-060 and D00-12-058 in regard to submetered discounts, claiming they are erroneously computed. This decision denies the petition. This issue can be raised in the current SDG&E and Southern California Gas Company Applications (A) 01-10-005 and A01-09-024. These proceedings are closed.

(Comr Peevey - ALJ Barnett)

(Agenda 3103, Item CA-17 12/17/2002 (Lynch); Agenda 3105, Item H-9 1/16/2003

(Peevey); Agenda 3106, Item H-9 1/30/2003 (Peevey))

03/12/2003 - This item appeared as (H-4) on the agenda distributed to the public.

#### **Outcome Signed**

D03-03-030

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# Regular Agenda

# Utility and Transportation Orders Orders Held Over

# H-1 A98-12-005 - GTE Corporation (GTE) and Bell Atlantic Corporation (Bell Atlantic).

93

GTE to transfer and Bell Atlantic to acquire control of GTE's California utility subsidiaries which will occur indirectly as a result of GTE's merger with Bell Atlantic. This decision modifies D01-09-045 which awarded compensation to three intervenors for substantial contributions to D00-03-021. The awards to Greenlining Institute/Latino Issues Forum and Public Advocates are increased to \$276,173.06 and \$267,858.21, respectively. There is no change to the award of The Utility Reform Network. This proceeding is closed. (Agenda 3073, Item CA-26, 10/10/01).

(Comr Kennedy - ALJ Kotz)

(Agenda 3080, Item CA-24 1/23/2002; Agenda 3081, Item CA-19 2/7/2002; Agenda 3090, Item H-2 6/27/2002; Agenda 3091, Item H-3 7/17/2002; Agenda 3093, Item H-2 8/22/2002 (Duque); Agenda 3094, Item CA-3 9/5/2002 (Wood); Agenda 3098, Item H-1 10/24/2002 (Wood); Agenda 3102, Item H-2 12/5/2002 (Lynch); Agenda 3103, Item H-1 12/17/2002 (Brown); Agenda 3105, Item H-1 1/16/2003 (Staff); Agenda 3107, Item H-1 2/13/2003 (Staff); Agenda 3108, Item H-1 2/27/2003 (Brown))

#### Outcome Withdrawn

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

#### H-1a ALTERNATE TO ITEM 93

1461

This alternate decision grants intervenor compensation awards to TURN, Public Advocates and Greenlining/Latino Issues Forum for their participation in A98-12-005 in the amount of \$146,113.66, \$268,108.93 and \$279,740.33 respectively. If approved this decision will replace D01-09-045 in its entirety.

(Comr Wood)

(Agenda 3102, Item H-2a 12/5/2002 (Lynch); Agenda 3103, Item H-1a 12/17/2002 (Brown); Agenda 3105, Item H-1a 1/16/2003 (Staff); Agenda 3107, Item H-1a 2/13/2003 (Staff); Agenda 3108, Item H-1a 2/27/2003 (Brown))

**Outcome** Signed (Comr. Brown reserves the right to file a dissent.)

D03-03-031

Yes: (Lynch, Peevey, Wood)

No: (Brown, Kennedy)

Abstain: (none) Absent: (none)

# H-2 R92-03-050 - Order Instituting Rulemaking on the Commission's own motion to consider the line extension rules of electric and gas utilities.

This decision rejects free inspections for projects undertaken by third-party contractors at ratepayer expense; and rejects proposed accounting changes for line extension costs. This proceeding is closed. (Comr Kennedy - ALJ Patrick)

(Agenda 3099, Item 2 11/7/2002 (Duque); Agenda 3101, Item H-7 11/21/2002 (Wood); Agenda 3103, Item H-8 12/17/2002 (Wood); Agenda 3106, Item H-2 1/30/2003 (Kennedy); Agenda 3107, Item H-2 2/13/2003 (Brown); Agenda 3108, Item H-2 2/27/2003 (Brown))

#### **Outcome Withdrawn**

Yes: (none) No: (none) Abstain: (none) Absent: (none)

#### H-2a ALTERNATE TO ITEM 1159

This alternate order differs from the proposed decision in that it adopts the TURN/UCAN proposals related to the accounting of costs for applicant-installed line extensions and the eligibility of utility inspections for line extension credits.

(Comr Wood)

(Agenda 3106, Item H-2a 1/30/2003 (Kennedy); Agenda 3107, Item H-2a 2/13/2003 (Brown); Agenda 3108, Item H-2a 2/27/2003 (Brown))

#### **Outcome Signed**

D03-03-032

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# H-2b (Rev.) ALTERNATE TO ITEM 1159

This alternate draft decision differs from Commissioner Wood's alternate in one aspect. For utility-installed projects, this order adopts an accounting change proposal to charge or credit utility shareholders the difference between the utility's bid amount and the utility's finished cost. The utilities will be required to book its cost estimate to ratebase when the utility performs the installation. (Comr Brown, Comr Kennedy)

03/11/2003 - This revision was not shown on the Agenda mailed to the public.

#### **Outcome Defeated**

Yes: (Brown, Kennedy) No: (Lynch, Peevey, Wood)

Abstain: (none)
Absent: (none)

1842

# H-3 R93-04-003 - Rulemaking on the Commission's own motion to govern open access to bottleneck services and establish a framework for network architecture development of dominant carrier networks.

193-04-002 - Related matters. This decision adopts interim monthly prices for a subset of network elements that Verizon California, Inc. (Verizon) sells to competitive local exchange carriers (CLCs). Specifically, this decision adopts the proposal presented by AT&T Communications of California, Inc., WorldCom Inc., and The Utility Reform Network (TURN) to base interim prices on Unbundled Network Element (UNE) rates recently adopted for Verizon in New Jersey. The New Jersey rates are adjusted based on the Federal Communications Commission's (FCC's) Synthesis Model and deaveraged into two zones for loops. For unbundled loops, the 2-wire interim loop rate is \$10.56 in Zone 1 and \$22.37 in Zone 2. For unbundled switching, the Commission adopts interim end office and tandem switching rates that are 60% and 31% less than current rates, respectively. The Commission adopts a basic port rate of \$2.12 that is 54% less than the current rate. The markup for shared and common costs embedded in current UNE rates shall remain at 22% as adopted in D97-01-022. This proceeding will remain open to set final UNE rates for Verizon. The interim UNE rates adopted in this order are subject to adjustment, either up or down, from the effective date of this order until final rates are adopted. This decision modifies the interim price floor formula adopted for Verizon in D99-12-018. When calculating price floors, Verizon should use the interim UNE rates adopted in this order and incorporate other changes to reflect the lower UNE rates adopted today. Finally, today's order applies a 22% markup for shared and common costs to Verizon's nonrecurring costs and orders Verizon to make several changes in how it has combined these costs to form the nonrecurring prices competitors will pay.

(Comr Peevey - ALJ Duda)

(Agenda 3103, Item 2 12/17/2002 (Peevey); Agenda 3106, Item H-7 1/30/2003 (Peevey); Agenda 3108, Item H-5 2/27/2003 (Brown))

#### Outcome Signed

D03-03-033

Yes: (Brown, Kennedy, Lynch, Wood)

No: (Peevey) Abstain: (none) Absent: (none)

# H-3a ALTERNATE TO ITEM 1372

This Alternate Draft Decision adopts interim UNE loop rates based upon rates as set in Florida, not New Jersey. The result of such an analysis is that the 2-wire interim loop rate is \$12.83 in Zone 1 and \$20.10 in Zone 2. The 4-wire interim loop rate is \$30.42 in Zone 1 and \$47.67 in Zone 2.

(Comr Peevey)

(Agenda 3108, Item H-5a 2/27/2003 (Brown))

**Outcome Defeated** 

Yes: (Kennedy, Peevey) No: (Brown, Lynch, Wood)

Abstain: (none)
Absent: (none)

1765

# H-5 A02-06-019 - Pacific Gas and Electric Company (PG&E).

1481

PG&E requests authority to increase its base revenue by \$96 million to be effective as of April 22, 2002, for electric and gas distribution, customer services, and Humboldt Nuclear SAFSTOR activities to reflect an attrition revenue adjustment for the year 2002. Held: Request denied. It is too speculative to grant an attrition in 2002 based on recorded operations of 1996 and 1997. This proceeding is closed.

(Comr Peevey - ALJ Barnett)

(Agenda 3105, Item 2 1/16/2003 (Brown); Agenda 3107, Item H-7 2/13/2003 (Brown); Agenda 3108, Item H-7 2/27/2003 (Lynch))

#### **Outcome Signed**

D03-03-034

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# H-5a (Rev.) ALTERNATE TO ITEM 1481

1799

This alternate partially approves PG&E request for a 2002 Attition Rate Adjustment (ARA). PG&E requested an ARA of 96.3 million. The alternate approves an ARA of \$64 million. The difference occurs because the alternate approves an ARA increase for rate base, but not for expenses to the stale record.

(Comr Brown)

(Agenda 3108, Item H-7a 2/27/2003 (Lynch))

03/05/2003 - This revision was not shown on the Agenda mailed to the public.

# Outcome Withdrawn

# H-6 A02-03-059 - Pacific Bell Telephone Company (Pacific).

This decision approves the arbitrated interconnection agreement filed by Pacific and Pac-West Telecomm, Inc., under Rule 4.2 of the Commission's revised rules governing filings made pursuant to the Telecommunications Act of 1996, pursuant to Subsection 252(e) of that Act. This proceeding is closed.

(Comr Wood - ALJ Ryerson)

(Agenda 3103, Item 11 12/17/2002 (Brown); Agenda 3105, Item H-8 1/16/2003 (Brown); Agenda 3107, Item H-8 2/13/2003 (Peevey); Agenda 3108, Item H-8 2/27/2003 (Kennedy))

#### Outcome Held (4/3/03. Further deliberation and fact acquisition.)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

1500

1798

#### H-6a ALTERNATE TO ITEM 1500

This alternate decision approves with modification the arbitrated interconnection agreement between SBC-California and Pac-West Telecomm, Inc. Issue number 14 of the Final Arbitrator's Report is modified to comport with prior Commission decisions, such that transport charges are applicable to VNXX traffic terminating outside of the originating local calling area.

(Comr Brown)

(Agenda 3108, Item H-8a 2/27/2003 (Kennedy))

#### Outcome Held (4/3/03. Further deliberation and fact acquisition.)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

# H-7 R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery mechanisms for generation procurement and renewable resource development.

This decision grants, with certain modifications, the Motions filed by San Diego Gas & Electric Company and Pacific Gas and Electric Company on December 19, 2002 and December 20, 2002, respectively, requesting consideration and approval of Operating Agreements with the Department of Water Resources.

(Comr Peevey - ALJ Halligan)

(Agenda 3105, Item 11 1/16/2003 (Staff); Agenda 3106, Item H-15 1/30/2003 (Staff); Agenda 3107, Item H-12 2/13/2003 (Staff))

# Outcome Held (4/3/03. Possible alternate.)

# H-8 A02-09-007 - Southern California Edison Company (SCE).

1676

This decision authorizes SCE to lease available land under Public Utilities Code Section 851. The lease is sought to permit RHC Communities, LLC to construct and operate a self-storage and vehicle and boat storage facility. The SCE property consists of a 5-acre site located on a portion of SCE's Barre-Villa Park and Lewis-Serrano transmission right of way in the City of Orange (Site). The Site is part of the Barre-Villa Park and Lewis-Serrano 220 kilovolt system. This proceeding is closed. (Comr Peevey - ALJ Bemesderfer)

(Agenda 3107, Item 6 2/13/2003 (Staff))

Outcome Signed (Comr. Lynch reserves the right to file a concurrence. Comr. Wood reserves the right to file a concurrence.)

D03-03-035

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# H-9 R02-01-011 - Order Instituting Rulemaking Regarding the Implementation of the Suspension of Direct Access Pursuant to Assembly Bill 1X and Decision 01-09-060.

This decision adopts mechanisms to implement cost responsibility surcharges for customer generation departing load. The decision approves a Settlement Agreement subject to certain modifications.

(Comr Brown, Comr Wood - ALJ Pulsifer)

(Agenda 3108, Item 1 2/27/2003 (Peevey))

Outcome Held (4/3/03. Further review.)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

#### H-9a ALTERNATE TO ITEM 1722

1800

This alternate order differs from the proposed decision in that it denies the Settlement Agreement proposed by parties. This decision finds that departing load should be assessed all the elements of the Direct Access Customer Surcharge Responsibilities as identified in D02-11-022 for direct access customers. However, this decision provides an exemption for customer generation eligible for net metering as well as ultra-clean and low-emission distributed generation as defined in Pub. Util. Code Section 353.2(a).

(Comr Lynch)

(Agenda 3108, Item 1a 2/27/2003 (Peevey))

Outcome Held (4/3/03. Further review.)

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#### H-9b **ALTERNATE TO ITEM 1722**

1840

This alternate rejects the application of cost responsibility surcharges to customer generation departing load that meets certain eligibility criteria and falls within an annual cap. The alternate therefore also declines to adopt the multi-party Settlement Agreement.

(Comr Kennedy, Comr Peevey)

Outcome Held (4/3/03. Further review.)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

#### H-10 **R02-01-011** - Order Instituting Rulemaking regarding the implementation of the suspension 1729 of Direct Access pursuant to Assembly Bill 1X and D01-09-060.

This order grants the petition to modify filed on November 18, 2002, by San Diego Gas & Electric Company, seeking clarification of whether D02-11-022 exempts the 80 megawatts of United States Navy load referenced in the Decision from the components of the direct access cost responsibility surcharge.

(Comr Brown, Comr Wood - ALJ Pulsifer)

(Agenda 3108, Item CA-12 2/27/2003 (Brown))

#### Outcome Held (4/3/03. For alternate.)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

#### H-11 - Order Instituting Rulemaking to establish policies and criteria to authorize an 1774 increase in the rate of return allowed an electrical corporation on its electric plant due to

sustainable land and resource management practices pursuant to Public Utilities Code 454.3.

(Agenda 3108, Item 5 2/27/2003 (Wood))

**Outcome Signed** 

R03-03-015

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

#### **Orders**

# 1 R02-06-001 - Order Instituting Rulemaking on policies and practices for advanced metering, 1775 demand response, and dynamic pricing.

This decision adopts, with some modifications, a near-consensus proposal to undertake a statewide pricing pilot designed to test time-of-use and critical peak pricing tariffs for a representative sample of residential and small commercial customers on an opt-out basis. The decision adopts cost recovery mechanisms for authorized Phase 1 demand response programs, including the statewide pilot. Finally, the decision provides guidance for designing tariffs that will make the impacts of usage changes clear to customers participating in the pilot.

(Comr Peevey - ALJ Carew)

# **Outcome Signed (Comr. Lynch will file a concurrence.)**

D03-03-036

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# 2 A02-03-032 - California Water Service Company (CalWater).

1779

CalWater's request to establish a moratorium on new water connections in its Coast Springs water system is granted. In addition, CalWater must complete a well reconstruction project and a hydrogeologic study by the end of 2003, complete all other necessary improvements by the time the moratorium expires in three years, and file a new service area map. This proceeding is closed. (Comr Kennedy - ALJ McVicar)

#### **Outcome Signed**

D03-03-037

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# R02-02-020 - Order Instituting Rulemaking on the Commission's own motion to establish an appropriate error rate for connections made by an automatic dialing device pursuant to Section 2875.5 of the Public Utilities Code.

In this decision, the Commission takes further steps to reduce telemarketing calls in which Californians, upon answering the phone, are greeted either with prolonged silence or an unexplained disconnection. The Commission requires telemarketers using predictive dialing equipment to ensure that (1) the predictive dialer does not disconnect a call answered by a live person, and (2) an agent responds to a called party within 2 seconds of the called party's greeting. As required by statute, the Commission defines an "acceptable error rate" for this standard and establish the rate at 3% of all predictive dialer calls answered by a live person. The Commission requires telemarketers using predictive dialing equipment to maintain records showing their compliance. The Commission does not at this time reduce the acceptable error rate below 3% because its investigation shows that to do so would either eliminate jobs or move them out of California without verifiable benefit, and because impending federal and state do-not-call registers will provide consumers with an effective way to reduce the number of unwanted telephone marketing calls. This proceeding is closed.

(Comr Brown - ALJ Walker)

# **Outcome Signed**

D03-03-038

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

#### 4 A02-01-012 - Pacific Gas and Electric Company (PG&E).

This decision grants PG&E authorization pursuant to Pub. Util. Code § 851 to sell certain electric distribution and a few related transmission facilities in a portion of western Stanislaus County, including

the City of Patterson, the Community of Crows Landing, and adjacent rural areas (the Westside Zone) to Turlock Irrigation District (TID), and approves a new service area agreement between PG&E and TID and other related transactions. This decision allocates PG&E's gain resulting from the sale of distribution assets to TID to PG&E shareholders pursuant to Redding II. This proceeding is closed. (Comr Brown - ALJ Prestidge)

**Outcome Held (4/3/03)** 

# 6 R \_\_\_\_\_\_ - Order Instituting Rulemaking into implementation of Senate Bill 669 and 1848 Assembly Bill 1734, as they affect the Deaf and Disabled Telecommunications Equipment and Services Program Fund.

This order initiates a rulemaking to implement Senate Bill 669 (Stats. 1999, Ch.677) and Assembly Bill 1734 (Stats. 2002, Ch.61) with respect to deaf and disabled program, including the adoption of new charters.

# **Outcome Signed**

R03-03-014

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# **Utilities Resolutions and Written Reports**

#### **Energy Matters**

#### E-1 Res E-3814 - Southern California Edison Company (SCE).

1750

SCE for Commission approval of one power purchase agreement contributing toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources irrespective of the utility's residual net short. (Advice Letter 1680-E, filed January 14, 2003) (Agenda 3107, Item E-3 2/13/2003 (Brown); Agenda 3108, Item E-3 2/27/2003 (Staff))

#### Outcome Held (4/3/03. Further evaluation.)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

# E-2 Res E-3816 - Southern California Edison Company.

1771

For approval of one power purchase agreement (PPA) contributing toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources irrespective of the utility's residual net short. Consideration of this PPA had previously been deferred from Resolution E-3809 and is now being addressed here. (Advice Letter 1676-E, filed December 24, 2002)

(Agenda 3108, Item E-4 2/27/2003 (Staff))

# Outcome Held (4/3/03)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

#### E-2a ALTERNATE TO ITEM 1771

1844

This altenate resolution differs from the proposed resolution in that it denies approval of one power purchase agreement (PPA) which Southern California Edison Company (SCE) requests to enter into in 2003 to contribute toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources. Consideration of this PPA had previously been deferred from Resolution E-3809 and is now being addressed here.

(Comr Wood)

#### **Outcome Held** (4/3/03)

# E-3 Res E-3801 - Pacific Gas and Electric Company (PG&E).

1778

This resolution approves with modifications PG&E's tariff revisions to implement a flexible pricing option in accordance with Public Utilities Code Section 454.1. (Advice Letter 2276-E, filed August 26, 2002)

Outcome Held (4/3/03)

#### **Telecommunications Matters**

# C-1 (Rev.) Res T-16720 - Evans Telephone Company (Evans).

1535

This resolution authorizes total intrastate revenue in the amount of \$9,652,486 for Evans for the test year 2003. This represents a reduction of \$1,943,414 to Evans' estimate of \$11,595,900 for total intrastate revenue for 2003. The Total Intrastate Rate Base amount for Evans is \$8,736,731 with an overall Intrastate Rate of Return of 10.00% for the test year 2003. Evans had requested a Total Intrastate Rate Base amount of \$12,756,407 for an authorized Overall Intrastate Rate of Return of 10.00%. Also authorized by this resolution is California High Cost Fund-A (CHCF-A) support for Evans for test year 2003 of \$1,048,675. Evans had requested CHCF-A support for 2003 of \$3,627,318. (Advice Letter 326, filed December 19, 2001)

(Agenda 3105, Item C-6 1/16/2003 (Staff); Agenda 3106, Item C-3 1/30/2003 (Staff); Agenda 3107, Item C-2 2/13/2003 (Brown))

03/07/2003 - This revision was not shown on the Agenda mailed to the public.

#### Outcome Held (4/3/03. Further review.)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

#### C-1a ALTERNATE TO ITEM 1535

1829

This alternate resolution authorizes total intrastate revenue in the amount of \$10,074,876 for Evans for the test year 2003. This represents a reduction of \$1,521,024 to Evans' estimate of \$11,595,900 for total intrastate revenue for 2003. The Total Intrastate Rate Base amount for Evans is \$11,278,061 with an overall Intrastate Rate of Return of 10.00% for the test year 2003. Evans had requested a Total Intrastate Rate Base amount of \$12,756,407 for an authorized Overall Intrastate Rate of Return of 10.00%. Also authorized by this resolution is California High Cost Fund-A (CHCF-A) support for Evans for test year 2003 of \$1,471,064. Evans had requested CHCF-A support for 2003 of \$3,627,318. (Advice Letter 326, filed December 19, 2001) (Comr Brown)

Outcome Held (4/3/03. Further review.)

#### **Commissioner's Reports**

# **CR-1** Commissioners' Reports.

1693 Miscellaneous Commissioners' reports.

#### **Outcome Information Only**

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

# CR-2 Commissioner Lynch Report

1309

Institution of investigation regarding the Commission's enforcement regarding misuse of state government property through use of inappropriate material and comparing the Commission's enforcement and standards to those of the Department of Justice and the Office of the Governor. (Agenda 3099, Item CR-2 11/7/2002 (Staff); Agenda 3101, Item CR-2 11/21/2002 (Staff); Agenda 3102, Item CR-2 12/5/2002 (Staff); Agenda 3103, Item CR-2 12/17/2002 (Staff); Agenda 3105, Item CR-2 1/16/2003 (Lynch); Agenda 3107, Item CR-2 2/13/2003 (Lynch); Agenda 3108, Item CR-2 2/27/2003 (Staff))

## **Outcome Held (4/3/03)**

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

#### **CR-3** President Peevey Report

1846

Discussion of the Energy Action Plan proposed by a subcommittee of the Energy Resources Conservation and Development Commission, the Consumer Power and Conservation Financing Authority, and the PUC. The Plan establishes shared goals and specific actions to ensure adequate, reliable, and resonably-priced electrical power and natural gas supplies are achieved and provided through policies, strategies, and actions that are cost-effective and environmentally sound for California's consumers and taxpayers.

# **Outcome Information Only**

# **Management Reports and Resolutions**

# M-1 Management Reports.

Miscellaneous Management reports.

**Outcome Information Only** 

#### **Closed Session**

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the

# Non-Federal Items Orders Held Over

# HEX-1 A00-11-038 - Conference with Legal Counsel - Application for Rehearing.

A00-11-056, A00-10-028 - Related matters. Disposition of Application for Rehearing of D02-06-070, as modified by D02-07-007, filed by Southern California Edison Company and Pacific Gas and Electric Company.

(Agenda 3101, Item EX-5 11/21/2002 (Wood); Agenda 3103, Item HEX-2 12/17/2002 (Wood); Agenda 3105, Item HEX-1 1/16/2003 (Lynch); Agenda 3107, Item HEX-1 2/13/2003 (Lynch); Agenda 3108, Item HEX-1 2/27/2003 (Kennedy))

Outcome Held (4/3/03)

#### **Orders**

# EX-5 I02-07-015 - Conference with Legal Counsel – Application for Rehearing.

1795

Disposition of application for rehearing filed by Pacific Gas and Electric Company (PG&E) of D02-11-030 which conditionally authorizes PG&E to issue up to \$9.5 billion of additional preferred stock and long term debt to implement the Commission's and the Official Committee of Unsecured Creditors' reorganization plan for the company currently pending in U.S. Bankruptcy Court.

#### Outcome Held (4/3/03)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

#### EX-6 R02-06-041 - Conference with Legal Counsel – Application for Rehearing.

1833

Disposition of Application for Rehearing of D02-07-037 filed by The Utility Reform Network. D02-07-037 is the decision in Phase I of this proceeding. D02-07-037 adopts two rules concerning turned back gas capacity on the El Paso Natural Gas Company interstate natural gas pipeline system. It also provides California utilities with full cost recovery for their costs associated with their existing interstate pipeline capacity rights to the extent they comply with the adopted rules.

#### Outcome Held (4/3/03)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

# EX-7 A98-12-005 - Conference with Legal Counsel – Application for Rehearing.

1834

Disposition of Application for Rehearing of D01-09-045 filed by The Greenlining Institute and Latino Issues Forum (GL/LIF). D01-09-045 awarded intervenor compensation to GL/LIF and other parties for their contributions to D00-03-021.

#### Outcome Held (4/3/03)